

## Message Text

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42

ACTION ARA-17

INFO OCT-01 EUR-25 ADP-00 AID-20 EB-11 IO-13 PRS-01 PA-03

USIA-12 CIAE-00 INR-10 NSAE-00 RSC-01 L-03 IGA-02

COME-00 FRB-02 TRSE-00 XMB-07 RSR-01 EA-11 CEA-02

NEA-10 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 /174 W

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R 221550 Z JUN 73

FM AMEMBSSY LIMA

TO SECSTATE WASHDC 5986

INFO USMISSION OECD PARIS

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E. O. 11652: N/ A

TAGS: EAID, IBRD, PE

SUBJ: PERUVIAN PRESS HAILS ACHIEVEMENTS OF CONSUL-  
TATIVE GROUP MEETING

REF: OECD PARIS 17075

1. LIMA DAILIES JUNE 21 PROMENTLY CARRIED AFP REPORT  
OF PARIS CG MEETING UNDER HEADLINES HAILING RESULTS AS  
RESOUNDING SUCCESS. HEADLINES WERE: " WORLD BANK WILL  
LEND \$470 MILLION PER YEAR" ( LA PRENSA - CONSERVATIVE) ;  
" WORLD BANK WILL LEND PERU \$1,880 MILLION" ( EL COMERCIO -  
CONSERVATIVE); " WORLD BANK WILL LEND US \$1,990 MILLION"  
( EXPRESO - LEFT EXTREMIST); AND " WORLD BANK WILL SUPPORT  
DEVELOPMENT - THEY GIVE CREDIT OF \$1,330 MILLION TO  
PERU" ( NUEVACRONICA - GOVERNMENT- OWNED, LEFTIST). HEAD-  
LINES WERE APPARENTLY BASED ON MISLEADING INITIAL SENTENCE  
OF AFP REPORT WHICH STATED, " PERU WILL BE ABLE TO MAKE  
USE OF (" PUEDE DISPONER") \$470 MILLION ANNUALLY DURING  
THE PERIOD 1973-76 OF EXTERNAL SUPPORT FOR ITS DEVELOP-  
MENT PROJECTS, ACCORDING TO DECISIONS MADE BY THE WORLD  
BANK TODAY." AFP THEN QUOTED IN STRAIGHTFORWARD FASHION  
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MOST OF TEXT OF PRESS RELEASE REPORTED BY REFTEL. WITH EXCEPTION NOTED BELOW, NO STORIES MENTIONED CONCERN EXPRESSED BY PARTICIPATING COUNTRIES OVER FISHMEAL NATIONALIZATION. NUEVA CRONICA, IN FACT, SUBHEADLINED STORY AS "ANOTHER DEMONSTRATION OF CONFIDENCE IN OUR ECONOMY".

2. NUEVA CRONICA ALSO CARRIED SECOND AFP STORY UNDER HEADLINE "A POLITICAL AND ECONOMIC TRIUMPH FOR PERU", REPORTING INTERVIEW WITH MINISTER MORALES BERMUDEZ, WHO WAS QUOTED AS SAYING: "THE FINAL COMMUNIQUE OF THE CG FULFILLED ALL OUR EXPECTATIONS AND DEMONSTRATED THAT IT (THE CG) HAS COME TO THE CONCLUSION THAT WE HAVE ACHIEVED POSITIVE RESULTS AND THAT OUR FUTURE PROSPECTS COULD NOT BE BETTER." THE STORY CONTINUES THAT THE MINISTER NOTED THE COMMUNIQUE WAS ADOPTED DESPITE A "CERTAIN CLIMATE OF TENSION" WITHIN THE CG AS A RESULT OF THE RECENT FISHMEAL NATIONALIZATION. MORALES BERMUDEZ NOTED PARTICULARLY THE CONCERN EXPRESSED BY JAPAN, "ALTHOUGH, ON THE OTHER HAND, THIS WAS THE FIRST INSTANCE IN WHICH JAPAN HAD EVER SEEN ITSELF AFFECTED BY NATIONALIZATION." AFP QUOTED THE MINISTER AS SAYING, "A NATIONALIZATION THROUGH EXPROPRIATION IS NOT CONFISCATION, AND WE WILL PAY AN EQUITABLE PRICE FOR THE EXPROPRIATED ASSETS."

3. COMMENT: WHILE NEITHER HEADLINE WRITERS, NOR PRESUMABLY THE GOP, CAN BE HELD ACCOUNTABLE FOR THE MISLEADING AFP LEAD SENTENCE, THIS PRESS PLAY CAN ONLY SERVE TO STRENGTHEN THE POSITION OF THOSE IN THE GOP WHO FAVORED NATIONALIZATION AND WHO HAVE TENDED TO DISCOUNT ITS EFFECT ON INTERNATIONAL INVESTOR/LENDER CONFIDENCE. MOREOVER, DEPENDING ON HOW GOP DECIDES TO PLAY THE ISSUE IN COMING DAYS, FUTURE PRESS TREATMENT IN THE SAME VEIN COULD WELL CREATE A STATE OF EUPHORIA ON FUTURE INTERNATIONAL FINANCING PROSPECTS WHICH MAY NOT MATERIALIZE.  
BELCHER

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